GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:598
ANSWERED ON:26.07.2001
MSP FOR AGRICULTURAL PRODUCTS
RAM CHANDRA DOME

Will the Minister of AGRICULTURE be pleased to state:

(a) the details of price policy adopted by the Government for fixing up minimum support price of different agricultural produces;

(b) the details of present support price of all agricultural and horticultural produces, item-wise;

(c) whether support price of every item is adequate to cover the cost of production;

(d) if not, the mechanism adopted for fixing up the minimum support price adequately;

(e) whether any dissent at national level has been received; and

(f) if so, the details thereof and the reaction of the Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SHRIPAD Y. NAIK)

(a) to (f): The main objectives of the Government`s price policy for agricultural produce are aimed at ensuring remunerative prices to the growers for their produce with a view to encourage higher investment and production, and to safeguard the interests of consumers by making available supplies at reasonable prices. The price policy seeks to evolve a balanced and integrated price structure in the perspective of the overall needs of the economy. Towards this end, the Government announces each season support prices for major agricultural commodities and organizes purchase operations through public and cooperative agencies such as Food Corporation of India (paddy, wheat & coarse cereals); Jute Corporation of India (jute); CottonCorporation of India (cotton); NAFED (pulses and oilseeds) and Tobacco Board (tobacco), besides other agencies designated by the State Governments. A statement showing the MSPs of major agricultural commodities fixed in recent years is enclosed.

The Government decide on the support price for various agricultural commodities taking into account the recommendations of the Commission for Agricultural Costs & Prices (CACP), views of State Governments and Central Ministries as well as such other relevant factors, which in the opinion of the Government are important for fixation of MSPs. While formulating its recommendations on price policy, the CACP considers various important factors, of which, the cost of production is the most important factor. The cost of production covers not only paid-out costs but also imputed value of owned assets including land and family labour for which the farmers do not incur any cash expenses.

Sometimes certain State Governments do not agree with the price recommendations of CACP and the State Government of Maharashtra have, in particular, suggested a meeting with the States and CACP for discussions on methodology of cost estimation. This is under examination.

ANNEXURE

MINIMUM SUPPORT PRICE (According to Crop Year) (Rs. per quintal)

S.No.	Commodity	Variety	1996-97	1997-98	1998-99	99-2000	2000-01	2001-02
1.	Paddy	Common	380	415	440	490	510	
		Fine	395	-	-	-	-	
		Superfine	415	-	-	-	-	
		Grade `A`	-	445#	470	520	540	
2.	Coarse Cereals							

(Jowar, Bajra & Ragi) 310 360 390 415 445

3. Maize 320 360 390 415 445

4. Wheat 475+ 510x 550 580 610

5. Barley 305 350 385 430 500
6. Gram 740 815 895 1015 1100

7 Arhar 840 900 960 1105 1200

8. Moong 840 900 960 1105 1200

9. Urad 840 900 960 1105 1200
10. Masur(lentil) - - - - 1200
11. Sugarcane@ 45.90 48.45 52.70 56.10 59.50
12. Cotton F-414/H-777 1180 1330 1440++ 1575++ 1625++
  H-4 1380 1530 1650 1775 1825
13. Groundnut-in-shell 920 980 1040 1155 1220
14. Jute 510 570 650 750 785 810
15. Rapeseed/
 Mustard 890 940 1000 1100 1200
16. Sunflower Seed 960 1000 1060 1155 1170
17. Soybean Black 620 670 705 755 775
  Yellow 700 750 795 845 865
18. Safflower 830 910 990 1100 1200
19. Toria 855 905 965 1065 1165
20. Tobacco(VFC)

(Rs. per kg.) Black Soil (F2 Gr) 19.00 20.50 22.50 25.00 26.00
  Light Soil (L2 Gr) 22.00 23.50 25.50 27.00 28.00
21. Copra (Cal Year)Milling 2500 2700 2900 3100 3250 33.00
  Ball 2725 2925 3125 3325 3500 3550
22. Sesamum 870 950 1060 1205 1300
23. Nigerseed 720 800 850 915 1025

@ Statutory Minimum Price linked to a basic recovery of 8.5 per cent with proportionate premium for every 0.1 per cent increase in recovery above that level.

Classified into two categories for the MSP purposes instead of existing three varieties from Kharif season of 1997-98.

+ Including a Central Bonus of Rs.60.00 per quintal payable upto 30th June, 1997.
x Including a Central Bonus of Rs.55.00 per quintal payable from 01.04.98 to 30.06.98.
++ For J-34 variety also.

The MSP for masur (lentil) has been fixed from the crop year 2000-01.